



Los Angeles County
Board of Supervisors

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April 20, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**EPIDEMIOLOGY AND LABORATORY SURVEILLANCE AND
RESPONSE PROJECT - ATLAS DEVELOPMENT CORPORATION
SOFTWARE MARKETING AGREEMENT - AMENDMENT NO. 2
(All Districts) (3 Votes)**

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH
MODIFICATIONS ☐ DISAPPROVE

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize and instruct the Acting Director of Health Services, or his designee, to sign Amendment No. 2 to Agreement H-207543, substantially similar to Exhibit I, with Atlas Database Development Corporation (Atlas) to extend the Agreement effective July 1, 2006 through June 30, 2008.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving the recommended action, the Board is approving the extension of the Marketing Agreement with Atlas through June 30, 2008. The Amendment is required to continue to allow for the sub-licensing of the Visual Confidential Morbidity Report (VCMR) software to other counties while negotiations occur between the County and Atlas to resolve obstacles to wider use of VCMR raised by other States and various public and private entities.

FISCAL IMPACT/FINANCING:

The fiscal impact remains unchanged in the proposed Amendment. Under the Agreement, the County receives a royalty fee of ten percent (10%) of the gross monthly revenue received by Atlas.

Four counties (Monterey, Sacramento, San Diego, and Stanislaus) and one private entity (University of California San Diego Medical Center) are currently using VCMR. To date, \$21,440 in royalties have been generated. However, future expected income from the marketing Agreement cannot yet be determined. Any

Bruce A. Chernof, MD
Acting Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

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income generated will be added to the County General Fund. This Agreement will not increase net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

VCMR is an advanced electronic reporting system for all communicable diseases. The main purpose of this system is to make disease investigation, tracking and reporting more efficient for Los Angeles County as well as the State DHS. VCMR accurately manages the investigative cycle of a disease or outbreak from initial date of onset to the final resolution of a case report. This functionality offers the strongest tool in the tracking and managing of all new and open cases of diseases. VCMR has successfully demonstrated its ability as a centralized data system to manage large volumes of incoming case reports with efficiency and accuracy.

On April 2, 2002, the Board of Supervisors approved a sole source Agreement with Atlas for software marketing services effective April 2, 2002 through June 30, 2006. The Department monitors the sub-license Agreements through receipt of a copy of each sub-license obtained by Contractor as well as monitoring reports submitted by Contractor.

On June 17, 2003, the Board approved Amendment No. 1 to ensure that those entities wishing to use the software would have a viable source to continue to maintain the software in the event the County chooses to terminate its relationship with Atlas. The Amendment also included the approval of each sub-license by the Project Manager in order to ensure that the sub-license accurately describes the relationship between Atlas and the sub-licensees.

Amendment No. 2 also includes the latest Board-mandated language. The County may terminate for convenience upon 180 days prior written notice.

Attachment A provides additional information.

County Counsel has reviewed and approved Exhibit I as to use and form.

The Chief Information Officer concurs with the Department's recommendations.

CONTRACTING PROCESS:

The VCMR Marketing Agreement with Atlas was awarded on a sole source basis as a result of the Department's current Software Development Agreement with ATLAS for development/support of VCMR software.

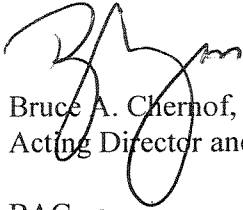
IMPACT ON CURRENT SERVICES (OR PROJECTS):

The sub-licensing of VCMR software will continue without interruption.

The Honorable Board of Supervisors
April 20, 2006
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Acting Director and Chief Medical Officer

BAC:po
Atlas Marketing.po.wpd

Reviewed By:



Jon W. Fullinwider
Chief Information Officer

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT
(ATLAS DATABASE SOFTWARE CORPORATION)

1. TYPE OF SERVICE:

Atlas Database Software Corporation will assist the Department of Health Services in marketing the Visual Confidential Morbidity Report software for the County throughout the State of California.

2. AGENCY ADDRESS AND CONTACT PERSON:

Atlas Database Software Corporation
26679 West Agoura Road, Suite 200
Calabasas, California 91302
Attention: Carl Hartzel, COO
Telephone: (818) 340-7080

3. TERM:

H-207543:
April 2, 2002 through June 30, 2006.
Amendment No. 1: June 17, 2003 through June 30, 2006.
Amendment No. 2: July 1, 2006 through June 30, 2008.

4. FINANCIAL INFORMATION:

Under the Agreement, the County receives a royalty fee of ten percent (10%) of the gross monthly revenue received by Contractor.

Four counties (Monterey, Sacramento, San Diego, and Stanislaus) and one private entity (University of California San Diego Medical Center) are currently using VCMR. To date, \$21,440 in royalties have been generated. However, future expected income from the marketing Agreement cannot yet be determined. Any income generated will be added to the County General Fund. This Agreement will not increase net County cost.

5. PRIMARY GEOGRAPHIC AREA TO BE SERVED:

Currently Countywide (with expansion to Statewide areas as software is licensed).

6. DESIGNATED ACCOUNTABLE FOR PROGRAM EVALUATION:

Robert Kim-Farley, M.D., M.P.H., Director, Communicable Disease Control and Prevention.

7. APPROVALS:

Public Health:	Jonathan E. Fielding, M.D., M.P.H.
Information Systems Branch:	Jon W. Fullenwider, Information Officer
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (review):	Christina Salseda, Deputy County Counsel

CIO ANALYSIS

DEPARTMENT OF HEALTH SERVICES RENEWAL AGREEMENT WITH ATLAS DATABASE SOFTWARE CORPORATION AMENDMENT NO. 2 (All Districts) (3 Votes)

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
 ☐ DISAPPROVE

Contract Type:

☐ New Contract ☒ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract

New/Revised Contract Term: Base Term Yrs: 2 # of Option Yrs 0

Contract Components:

☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Bruce A. Chernof, M.D., Acting Director and
Chief Medical Officer

Budget Information :

Y-T-D Contract Expenditures	\$ 0
Requested Contract Amount	\$ 0
Aggregate Contract Amount	\$ 0

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan? The 2005/2006 BAP does not reference renewing the Agreement.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards? Not Applicable.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Has data for this contract and/or project been entered into the Information Technology Tracking System (ITTS)? Not required.

Project/Contract Description:

The Department of Health Services (DHS) is requesting your Board to delegate authority to the Acting Director of Health Services, or his designee, to sign Amendment No. 2 to Agreement H-207543, with Atlas Database Software Corporation (Atlas).

This amendment will extend the Agreement to June 30, 2008 and will authorize Atlas to continue marketing the Visual Confidential Morbidity Report (VCMR) system, developed for DHS, to other counties and to the State of California. DHS will receive ten percent (10%) of the gross monthly revenue received by Atlas.

VCMR is an advanced electronic reporting system for all communicable diseases. The main purpose of this system is to make disease investigation, tracking and reporting more efficient for Los Angeles County as well as the State DHS. VCMR accurately manages the investigative cycle of a disease or outbreak from initial date of onset to the final resolution of a case report. This functionality offers the strongest tool in the tracking and managing of all new and open cases of diseases. DHS has been successfully using VCMR to manage large volumes of incoming case reports with efficiency and accuracy.

Background:

On September 10, 1996, the Board accepted funding from the Communicable Disease Center to develop and maintain a surveillance response to infectious diseases.

On May 19, 1998, the Board approved the Agreement with Atlas to assist DHS in the development of the VCMR system.

On April 2, 2002, the Board approved a sole source Agreement with Atlas for software marketing services effective April 2, 2002 through June 30, 2006. DHS monitors the sub-license Agreements through receipt of a copy of each sub-license obtained by Contractor as well as monitoring reports submitted by Contractor.

On June 17, 2003, the Board approved Amendment No. 1 to ensure that those entities wishing to use the software would have a viable source to continue to maintain the software in the event the County chooses to terminate its relationship with Atlas. The Amendment also included the approval of each sub-license by the Project Manager in order to ensure that the sub-license accurately describes the relationship between Atlas and the sub-licensees.

Amendment No. 2 includes the following:

- Extend the Agreement from June 30, 2006 to June 30, 2008.
- Include the latest Board-mandated language.

Attachment A provides additional information.

Project Justification/Benefits:

Approval of this amendment will allow Atlas to continue marketing the L.A. County system to other counties and potentially establishing the system as the statewide standard for this type of data collection and reporting. DHS may financially benefit from collecting ten percent (10%) royalty of future gross monthly revenue received by Atlas. To date, \$21,440 in royalties has been generated. However, future expected income from the marketing Agreement cannot yet be determined.

DHS may also benefit from software enhancements requested by other counties at no cost to the County.

Project Metrics:

Revenue received under this agreement is a clear metric of the benefits of this marketing agreement. Another important metric is acceptance of the application among California counties and the State of California. If VCMR becomes the de facto standard for communicable disease reporting in California, DHS will retain a strong influence on the development and evolution of communicable disease reporting and the VCMR system.

Alternatives Considered:

No other alternatives were considered. Atlas has been successful in marketing the VCMR to four counties (Monterey, Sacramento, San Diego, and Stanislaus) and to the University of California San Diego Medical Center (private entity).

Project Risks:

There are no identified risks to the Department and the County in undertaking this project.

Risk Mitigation Measures:

None

Financial Analysis:

There is no net County cost associated with the Agreement. DHS may financially benefit from collecting ten percent (10%) royalty of future gross monthly revenue received by Atlas. To date, \$21,440 in royalties has been generated. However, future expected income from the marketing Agreement cannot yet be determined.

CIO Concerns:

None.

CIO Recommendations:

The CIO recommends Board approval.

CIO APPROVAL

Date Received: 4/18/2006

Prepared by: Khaled Tawfik *KT.*

Date: 4/19/2006

Approved: 

Date: 4/19/2006

Contract No. H-207543-2

VISUAL CONFIDENTIALITY MORBIDITY REPORT
SOFTWARE MARKETING AGREEMENT

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this _____ day of
_____, 2006,

by and between COUNTY OF LOS ANGELES (hereafter
County"),

and ATLAS DATABASE SOFTWARE CORPORATION
DBA ATLAS DEVELOPMENT CORPORATION
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled
"VISUAL CONFIDENTIALITY MORBIDITY REPORT SOFTWARE MARKETING
AGREEMENT", dated April 2, 2002, and further identified as County
Agreement No. H-207543 and any Amendments thereto, (all
hereafter, "Agreement") for the provision of marketing,
licensing, support and enhancement rights in County's Visual
Confidentiality Morbidity Report (or Visual CMR) Software; and

WHEREAS, it is the intent of the parties hereto to amend the
Agreement to make the changes described hereinafter.

NOW THEREFORE, the parties hereby agree as follows:

1. This Amendment shall be effective on July 1, 2006.
2. The first subparagraph of Paragraph 1.0, TERM, shall be amended to read as follows:

"1.0 TERM: The term of this Agreement shall commence on April 2, 2002 and shall continue in full force and effect through June 30, 2008, unless earlier terminated as provided herein."

3. Paragraph 17.0 PROHIBITION AGAINST ASSIGNMENT AND DELEGATION, shall be deleted in its entirety and replaced as follows:

"17.0 PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegatee or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of

Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

C. If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

4. ADDITIONAL PROVISIONS, Paragraphs 13, CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, and 14, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, shall be deleted in their entirety and replaced as follows:

"13. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County

has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the federal Social Security Act [(42 USC section 653(a)] and California Unemployment Insurance Code section 1088.55, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department ("CSSD") Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure section 706.031 and Family Code section 5246(b).

14. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:
Failure of Contractor to maintain compliance with the requirements set forth in "Contractor's Warranty of Adherence to County's Child Support Compliance Program"

Paragraph immediately above, shall constitute default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this contract pursuant to the "Termination for Default" Paragraph of this Agreement and pursue debarment of Contractor."

5. ADDITIONAL PROVISIONS, Paragraph 19, CONTRACTOR RESPONSIBILITY AND DEBARMENT, shall be deleted in its entirety and replaced as follows:

"19. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing

on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of

debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

I. These terms shall also apply to any subcontractors of County Contractors."

6. THE ADDITIONAL PROVISIONS shall be amended to add the following paragraphs:

"24. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

25. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE:

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the certification in Exhibit C, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202)."

7. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed on its

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behalf, by its Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Acting Director and Chief Medical
Officer

ATLAS DATABASE SOFTWARE CORPORATION
DBA ATLAS DEVELOPMENT CORPORATION
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM BY THE
OFFICE OF THE COUNTY COUNSEL

By _____
Christina A. Salseda
Deputy County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:
Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

ATLASA2.WORD.PO